

VILLAGE OF HILLMAN
MONTMORENCY COUNTY
STATE OF MICHIGAN

FINANCIAL REPORT
WITH SUPPLEMENTAL INFORMATION
FISCAL YEAR ENDED MARCH 31, 2004

AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input checked="" type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name VILLAGE OF HILLMAN	County MONTMORENCY
Audit Date MARCH 31, 2004	Opinion Date MAY 13, 2004	Date Accountant Report Submitted to State: SEPTEMBER 1, 2004	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, of the report of comments and recommendations

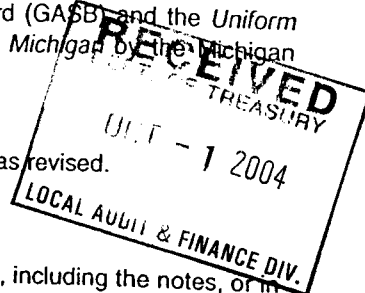
You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☐ yes ☒ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☐ yes ☒ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).			X

Certified Public Accountant (Firm Name) QUAST, JANKE & COMPANY			
Street Address 1010 NORTH JOHNSON STREET		City BAY CITY	State MI
Accountant Signature <i>[Signature]</i> CPA		ZIP 48708	



VILLAGE OF HILLMAN
MONTMORENCY COUNTY
STATE OF MICHIGAN

FINANCIAL STATEMENTS
FISCAL YEAR ENDED March 31, 2004

VILLAGE OFFICIALS

President
Clerk
Treasurer
Trustee
Trustee
Trustee
Trustee
Trustee

Myron McIntire
Brenda South
Vicki Rouleau
Wilbur Funk
Ronald Lounsbery
Robert Tulgetske
Gary Rouleau
Doris Shumaker
Joe Libby

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Quast, Janke and Company, P.C.
Certified Public Accountants

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Mark G. Janke, C.P.A. American Institute of C.P.A.'s
Ned E. Kleinke, C.P.A. Michigan Association of C.P.A.'s
David G. Gwizdala, C.P.A.

INDEPENDENT AUDITOR'S REPORT

May 13, 2004

To the Village Council
The Village of Hillman
Montmorency County
Hillman, Michigan 49746

We have audited the financial statements of the governmental activities, business-type activities, major funds, and remaining fund information, which collectively comprise the Village of Hillman ("Village") as of and for the year ended March 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, business-type activities, major funds, and remaining fund information of the Village as of March 31, 2004, and the changes in financial position and cash flows, where applicable, of those activities and funds and the budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the Village has implemented a new financial reporting model, as required by the provisions of the GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of April 1, 2003.

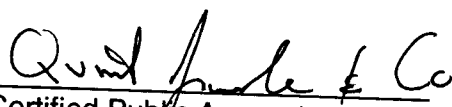
Management's Discussion and Analysis and budgetary comparison information are not a required part of the basic financial statements, but are supplementary information required by the GASB. We have applied certain limited procedures, which consist principally of inquiries of management, regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

To the Village Council
The Village of Hillman
May 13, 2004
Page 2

Our audit was conducted for the purpose of forming an opinion on the Village's basic financial statements. The combining and individual fund statements and schedules described in the accompanying table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, it is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 13, 2004, on our consideration of internal control over financial reporting and our test of its compliance with certain provisions of laws, regulations, grants and contracts. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in assessing the results of our audit.

QUAST, JANKE AND COMPANY


Certified Public Accountants, P.C.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Village of Hillman's annual Financial Report presents Management's Discussion and Analysis of the Village's financial activities during the fiscal year ended March 31, 2004. The analysis focuses on the Village's financial performance as a whole. Please read it in conjunction with the Village's financial statements, which immediately follow this section.

Because the Village of Hillman is implementing new reporting standards for this fiscal year with significant changes in content and structure, much of the information is not easily comparable to prior years. However, in future years, comparisons will be more meaningful and will go further in explaining the Village's financial position and results of operations.

FINANCIAL HIGHLIGHTS

- The assets of the Village of Hillman exceeded liabilities at March 31, 2004, by \$2,821,538.13. Of this amount, \$1,114,804.94 is unrestricted and may be used to meet the government's ongoing obligations to citizens and creditors.
- The Village's net assets decreased by \$9,996.64 during the year. Of this amount the assets of our governmental activities decreased \$53,037.38 and the assets of our business-type activities increased by \$43,040.74.

USING THIS REPORT

The annual report consists of a series of financial statements as well as other requirements as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the Village's financial activities.

Government-wide Financial Statements consists of a statement of net assets and a statement of activities. These provide information about the activities of the Village as a whole and represent an overall view of the Village's finances.

Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund Financial Statements report the Village's operations in more detail than the government-wide statements by providing information about the most significant funds.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information, other than MD&A, provides information about the required budgetary comparison information.

Other Supplementary Information provides detailed information about the nonmajor special revenue funds. In addition, the Schedule of General Fund provides details of various programs benefiting the Village.

REPORTING THE VILLAGE AS A WHOLE

The Statement of Net Assets and the Statement of Activities - The Government-wide statements report information about the Village as a whole using accounting methods similar to those used by private sector companies. The Statement of Net Assets includes all of the Village's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Activities regardless of when cash is received or paid.

One of the most important questions asked about the Village's finances is, Is the Village as a whole better or worse off as a result of the year's activities? The Statement of Net Assets

MANAGEMENT'S DISCUSSION AND ANALYSIS

and the Statement of Activities report information about the Village as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is very similar to the method of accounting used by most private sector companies. These two statements report the Village's net assets, which are the difference between assets and liabilities, as one way to measure the Village's financial health, or financial position. Over time, increases or decreases in the Village's net assets are one indicator of whether its financial health is improving or deteriorating. Additional factors such as changes in the Village's property tax base and the condition of the Village's infrastructure are also important in making this decision.

In the Statement of Net Assets and the Statement of Activities, we have divided the Village into two kinds of activities:

- Governmental Activities - Most of the Village's basic services are reported here, such as public safety, public works, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business-Type Activities - This activity include the waterworks, the sanitary sewer system and the Village's cooling pond. These activities are financed primarily by user charges.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

The fund financial statements provide detailed information about individual, significant funds, not the Village as a whole. Some funds are required to be established by State law and by bond covenants. The Village can establish other funds to control and manage money for particular purposes (such as construction or street projects) and to show that it is properly using certain revenues (such as tax increment financing revenues). The Village has two kinds of funds:

Governmental Funds

The Governmental Funds account for most of the Village's basic services. They focus on how money flows into and out of those funds and the balances at year-end that are available for spending. Governmental funds include the General Fund; Special Revenue Funds such as Major Street and UDA Grant; the Debt Service Fund; and the Capital Projects Fund. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The government fund statements provide a detailed, short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Village's programs.

The financial statements required for governmental funds include a balance sheet and a statement of revenues, expenditures and changes in fund balances.

Proprietary Funds

Proprietary Funds account for the Village's enterprise funds. These funds report services for which the Village charges customers for the service it provides. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. The major difference between the proprietary funds and the business-type activities included in the government-wide statements is the detail and additional information, such as cash flows, provided in the proprietary fund statements. The enterprise funds include the Water, Sewer and Cooling Pond funds, all considered to be major funds of the Village. The Village is responsible for ensuring that

MANAGEMENT'S DISCUSSION AND ANALYSIS

the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The financial statements required for proprietary funds include a statement of net assets, a statement of revenues, expenses, and changes in fund net assets and a statement of cash flows.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as useful indicator of financial position. The following analysis shows the Village's total net assets at March 31, 2004.

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current and other assets	\$ 927,381.06	\$ 249,115.46	\$1,176,496.52
Capital Assets net of accumulated depreciation	<u>819,269.39</u>	<u>1,363,505.02</u>	<u>2,182,774.41</u>
Total Assets	1,746,650.45	1,612,620.48	3,359,270.93
LIABILITIES			
Current liabilities	13,113.47	24,752.93	37,866.40
Long-term liabilities	<u>0.00</u>	<u>231,000.00</u>	<u>231,000.00</u>
Total Liabilities	13,113.47	255,752.93	268,866.40
NET ASSETS			
Invested in capital assets net of related debt	819,269.39	1,114,505.02	1,933,774.41
Restricted	11,325.18	30,500.00	41,825.18
Unrestricted	<u>902,942.41</u>	<u>211,862.53</u>	<u>1,114,804.94</u>
Total Net Assets	<u>\$ 1,733,536.98</u>	<u>\$1,356,867.55</u>	<u>\$3,090,404.53</u>

Net assets of governmental activities decreased from FY 2003 by \$53,037.38. Net assets of the business-type activities increased from FY2003 by \$43,040.74. The largest portion of the Village's net assets is invested in capital assets (e.g., land, infrastructure, buildings, and equipment), less the related debt. The debt related to the investment in capital assets is liquidated with sources other than capital assets. Restricted net assets represent resources that are subject to external restrictions, constitutional provisions or enabling legislation on how they can be used. Total unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, legislation, or other legal requirements is approximately \$1 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following analysis provides the changes in the net assets for the Village's governmental and business-type activities.

	Governmental Activities	Business-type Activities	Total
REVENUES:			
Charges for services	\$ 19,428.00	\$ 258,956.47	\$ 278,384.47
Operating grants and contribution	68,775.12	0.00	68,775.12
Capital grants and contributions	38,327.75	14,024.00	52,351.75
GENERAL REVENUES:			
Property taxes	153,679.17	0.00	153,679.17
State shared revenues	64,329.00	0.00	64,329.00
Unrestricted investment earnings	28,659.10	1,753.71	30,412.81
Miscellaneous	<u>3,164.58</u>	<u>0.00</u>	<u>3,164.58</u>
Total Revenues	376,362.72	274,734.18	651,696.90
PROGRAM EXPENSES:			
Legislative	29,722.29	0.00	29,722.29
General government	157,453.63	0.00	157,453.63
Public safety	14,468.00	0.00	14,468.00
Public works	128,311.67	0.00	128,311.67
Recreation/cultural	35,114.51	0.00	35,114.51
Sewer	0.00	130,095.58	130,095.58
Water	0.00	142,018.81	142,018.81
Cooling pond	0.00	23,889.05	23,889.05
Transfers	<u>64,310.00</u>	<u>(64,310.00)</u>	<u>0.00</u>
Total Expenses	429,380.10	231,693.44	661,673.50
INCREASE (DECREASE) IN NET ASSETS	<u>\$ (53,037.38)</u>	<u>\$ 43,040.74</u>	<u>\$ (9,996.64)</u>

There was a increase in taxable property valuation \$1,534,775.

INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the Village of Hillman completed its year, its governmental funds reported a total fund balance of \$884,992.72, which is less than the \$928,703.53 total fund balance at March 31, 2003. The General Fund, the operating fund for the Village of Hillman, ended FY03 with an \$88,657.35 balance compared to the prior year ending fund balance of \$167,405.80. Major Street Fund balance decreased by \$17,861.90. UDA Grant Fund balance increased by \$14,950.72. Capital Improvements Fund balance increased by \$43,516.59.

INDIVIDUAL MAJOR BUSINESS-TYPE FUND ANALYSIS

The Water Fund, which accounts for the operation and maintenance of the Village's water system, ended FY03 with a \$631,416.32 net asset balance compared to the prior year ending net asset balance of \$630,493.63. The Sewer Fund, which accounts for the operation and maintenance of the Village's sanitary sewer system, ended FY03 with a \$537,471.69 net asset balance compared to the prior year ending net asset balance of \$493,783.18. The Cooling Pond Fund, which accounts for the operation and maintenance of the cooling pond used by Hillman Power, ended FY03 with a \$187,979.62 net asset balance compared to the prior year ending net asset balance of \$197,393.26.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUDGETARY HIGHLIGHTS

During the year ended March 31, 2004, the Village amended the budget once. The amendment was done in January 2004 to cover unbudgeted expenditures. This amendment was mainly required to cover unplanned expenditures and expenditures associated with projects that carried over from the prior fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

The Village's investment in capital assets, including land, buildings and improvements, equipment, water systems, sewer systems, lighting systems, traffic signals and other infrastructure represents the value of the resources utilized to provide services to citizens. Capital assets for governmental activities totaled \$819,269.39 (net of accumulated depreciation) at March 31, 2004. Capital assets for business-type activities totaled \$1,363,505.02 (net of accumulated depreciation) at March 31, 2004. See the notes to the financial statements for more information about the Village's capital assets. The major capital outlays for governmental activities during the year included office equipment and computers.

For business-type activities, major additions included a generator for the Sewer Fund.

LONG-TERM DEBT

At year end the Village of Hillman had \$240,000 in outstanding revenue bonds. All debt in the business-type activities is detailed below:

Water Fund

Revenue Bond issued to improve, enlarge and extend the Village's water system.

Original issue	\$ 171,000
Balance March 31, 2003	41,000
Balance March 31, 2004	35,000

Sewer Fund

Revenue bond issued to construct sewage system.

Original issue	\$ 315,000
Balance March 31, 2003.	167,000
Balance March 31, 2004	157,000

Revenue bond issued to improve sewage system.

Original issue	\$ 80,000
Balance March 31, 2003	59,000
Balance March 31, 2004	57,000

ECONOMIC FACTORS

Our elected officials consider many factors when setting the Village's 2005 fiscal year budget. One of the most important factors affecting the budget is the State of Michigan's economy. This resulted in a \$20,000.00 decrease in State shared revenues in the year ended March 31, 2004 and additional cuts may be forthcoming in 2005. The Tax levy rate for the FY05 is listed below:

General operating

9.8558

MANAGEMENT'S DISCUSSION AND ANALYSIS

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to present our citizens, taxpayers, customers, investors and creditors with a general overview of the Village's finances and operating activities. If you have any questions or require additional information please contact Administration at Village of Hillman, 24220 Veterans Memorial Hwy., PO Box 96, Hillman, MI 49746

VILLAGE OF HILLMAN
Montmorency County, Michigan

GOVERNMENT WIDE STATEMENT OF NET ASSETS
March 31, 2004

	Primary Government		
	Governmental Activities	Business -Type Units	Total
ASSETS:			
Cash			
Delinquent taxes receivable	\$ 570,753.72	\$ 190,159.54	760,913.26
Other receivables	11,807.69	0.00	11,807.69
Internal Balances	331,546.02	28,455.92	360,001.94
Receivable from State	0.00	0.00	0.00
Restricted cash	13,273.63	0.00	13,273.63
Capital assets;	0.00	30,500.00	30,500.00
Land			
Buildings	552,248.68	49,000.00	601,248.68
Equipment	278,662.41	0.00	278,662.41
Water and sewer systems	554,145.95	210,239.78	764,385.73
Accumulated depreciation	0.00	2,883,557.18	2,883,557.18
	(565,787.65)	(1,779,291.94)	(2,345,079.59)
Total Assets	1,746,650.45	1,612,620.48	3,359,270.93
LIABILITIES:			
Accounts payable			
Accrued interest	11,019.04	2,574.79	13,593.83
Accrued expenses	0.00	2,919.79	2,919.79
Payable to other governments	1,674.43	1,258.35	2,932.78
Revenue bonds payable-	420.00	0.00	420.00
Amount due within one year	0.00	18,000.00	18,000.00
Amount due more than one year	0.00	231,000.00	231,000.00
Total Liabilities	13,113.47	255,752.93	268,866.40
NET ASSETS:			
Investment in capital assets net of related debt	819,269.39	1,114,505.02	1,933,774.41
Restricted for debt service	11,325.18	30,500.00	41,825.18
Unrestricted	902,942.41	211,862.53	1,114,804.94
Total Net Assets	\$ 1,733,536.98	\$ 1,356,867.55	3,090,404.53

The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan

GOVERNMENT WIDE STATEMENT OF ACTIVITIES
Year Ended March 31, 2004

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants/ Contributions	Capital Grants/ Contributions
GOVERNMENTAL ACTIVITIES:				
Legislative	\$ 29,722.29	\$ 0.00	\$ 0.00	\$ 0.00
General Government	157,453.63	519.00	0.00	0.00
Public Safety	14,468.00	0.00	0.00	0.00
Public Works	128,311.67	1,976.00	68,755.12	0.00
Recreation and Cultural	35,114.51	16,933.00	0.00	38,327.75
Total governmental activities	365,070.10	19,428.00	68,755.12	38,327.75
BUSINESS-TYPE ACTIVITIES				
Sewer	132,725.68	75,484.69	0.00	8,000.00
Water	147,231.97	104,216.79	0.00	6,024.00
Cooling Pond	23,889.05	79,254.99	0.00	0.00
Total business-type activities	303,846.70	258,956.47	0.00	14,024.00
Total Government	\$ 668,916.80	\$ 278,384.47	\$ 68,755.12	\$ 52,351.75
GENERAL PURPOSE REVENUES:				
Property taxes				
State shared revenues				
Unrestricted Investment earnings				
Gas and Oil Royalties				
Gain (Loss) on sale of assets				
Transfers				
Total General Purpose Revenues and Transfers				
Change in Net Assets				
Net Assets at beginning of year, as adjusted				
Net Assets - End of Year				

The accompanying notes are an integral part of the financial statements.

Net (Expense) Revenue and Changes in Net Assets

<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
\$ (29,722.29)	0.00	(29,722.29)
(156,934.63)	0.00	(156,934.63)
(14,468.00)	0.00	(14,468.00)
(57,580.55)	0.00	(57,580.55)
<u>20,146.24</u>	<u>0.00</u>	<u>20,146.24</u>
(238,559.23)	0.00	(238,559.23)
0.00	(49,240.99)	(49,240.99)
0.00	(36,991.18)	(36,991.18)
<u>0.00</u>	<u>55,365.94</u>	<u>55,365.94</u>
0.00	(30,866.23)	(30,866.23)
(238,559.23)	(30,866.23)	(269,425.46)
153,679.17	0.00	153,679.17
64,329.00	0.00	64,329.00
28,659.10	1,753.71	30,412.81
8,635.54	0.00	8,635.54
(5,470.96)	0.00	(5,470.96)
<u>(64,310.00)</u>	<u>64,310.00</u>	<u>0.00</u>
<u>185,521.85</u>	<u>66,063.71</u>	<u>251,585.56</u>
(53,037.38)	35,197.48	(17,839.90)
<u>1,786,574.36</u>	<u>1,321,670.07</u>	<u>3,108,244.43</u>
\$ <u><u>1,733,536.98</u></u>	\$ <u><u>1,356,867.55</u></u>	\$ <u><u>3,090,404.53</u></u>

VILLAGE OF HILLMAN
Montmorency County, Michigan

GOVERNMENTAL FUNDS BALANCE SHEET
March 31, 2004

	<u>GENERAL</u>	<u>MAJOR STREETS</u>	<u>U.D.A. GRANT</u>
ASSETS:			
Cash	\$ 89,298.10	\$ 30,444.34	\$ 265,160.20
Delinquent taxes receivable	11,807.69	0.00	0.00
Other receivables	0.00	0.00	331,546.02
Prepaid expenses	0.00	0.00	0.00
Due from other Funds	0.00	0.00	0.00
Due from State	0.00	9,362.32	0.00
TOTAL ASSETS	\$ <u>101,105.79</u>	\$ <u>39,806.66</u>	\$ <u>596,706.22</u>
LIABILITIES:			
Accounts payable	\$ 9,157.53	\$ 1,133.14	\$ 0.00
Due to other funds	1,196.48	0.00	0.00
Accrued expenses	1,674.43	0.00	0.00
Payable to other governments	420.00	0.00	0.00
TOTAL LIABILITIES	<u>12,448.44</u>	<u>1,133.14</u>	<u>0.00</u>
FUND BALANCES:			
Reserved for debt retirement	0.00	0.00	0.00
Unreserved, reported in:			
General Fund	88,657.35	0.00	0.00
Special Revenue Funds	0.00	38,673.52	596,706.22
Capital Projects Funds	0.00	0.00	0.00
Total Fund Balances	<u>88,657.35</u>	<u>38,673.52</u>	<u>596,706.22</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>101,105.79</u>	\$ <u>39,806.66</u>	\$ <u>596,706.22</u>

The accompanying notes are an integral part of the financial statements.

CAPITAL IMPROVEMENT	OTHER NON MAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 55,429.54	\$ 100,528.10	\$ 540,860.28
0.00	0.00	11,807.69
0.00	0.00	331,546.02
0.00	0.00	0.00
0.00	1,196.48	1,196.48
0.00	3,911.31	13,273.63
<u>\$ 55,429.54</u>	<u>\$ 105,635.89</u>	<u>\$ 898,684.10</u>

\$ 0.00	\$ 109.80	\$ 10,400.47
0.00	0.00	1,196.48
0.00	0.00	1,674.43
0.00	0.00	420.00
<u>0.00</u>	<u>109.80</u>	<u>13,691.38</u>

0.00	11,325.18	11,325.18
0.00	0.00	88,657.35
0.00	45,578.93	680,958.67
55,429.54	48,621.98	104,051.52
<u>55,429.54</u>	<u>105,526.09</u>	<u>884,992.72</u>
<u>\$ 55,429.54</u>	<u>\$ 105,635.89</u>	<u>\$ 898,684.10</u>

VILLAGE OF HILLMAN
Montmorency County, Michigan

GOVERNMENTAL FUNDS
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO STATEMENT OF NET ASSETS
March 31, 2004

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS		\$	884,992.72
Amounts reported for governmental activities in the statement of net assets are different because -			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds balance sheet:			
Capital assets at cost			1,146,391.72
Accumulated depreciation			(382,919.88)
An Internal Service fund is used by the Village to charge equipment rental costs to individual funds. The assets and liabilities of the Internal Service Fund is included in governmental activities of the statement of net assets			
Cash	29,893.44		
Capital assets	238,665.32		
Accumulated depreciation	(182,867.77)		
Accounts Payable	(618.57)		
Net adjustment			85,072.42
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES		\$	<u>1,733,536.98</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan

GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended March 31, 2004

	GENERAL	MAJOR STREETS	U.D.A. GRANT
REVENUES:			
Taxes	\$ 148,511.67	\$ 0.00	\$ 0.00
State Grants	64,329.00	48,213.23	0.00
Contributions	0.00	0.00	0.00
Charges for Services	519.00	0.00	0.00
Fines and Forfeits	0.00	0.00	0.00
Interest and Rentals	27,705.91	337.99	0.00
Other Revenue	223.98	0.00	25,450.72
			0.00
Total Revenues	241,289.56	48,551.22	25,450.72
EXPENDITURES:			
Legislative	29,722.29	0.00	0.00
General Government	152,289.48	0.00	500.00
Public Safety	14,468.00	0.00	0.00
Public Works	26,178.73	54,359.81	0.00
Cultural and Recreation	34,122.07	0.00	0.00
Capital Outlay	10,257.44	0.00	0.00
Other	0.00	0.00	0.00
Total Expenditures	267,038.01	54,359.81	500.00
EXCESS OF REVENUES OVER EXPENDITURES	(25,748.45)	(5,808.59)	24,950.72
OTHER FINANCING SOURCES (USES):			
Transfer from other funds	30,000.00	0.00	0.00
Transfer to other funds	(83,000.00)	(12,053.31)	(10,000.00)
Total Other Financing Sources (Uses)	(53,000.00)	(12,053.31)	(10,000.00)
NET CHANGE IN FUND BALANCES	(78,748.45)	(17,861.90)	14,950.72
FUND BALANCE - APRIL 1, 2003	167,405.80	56,535.42	581,755.50
FUND BALANCE - MARCH 31, 2004	\$ 88,657.35	\$ 38,673.52	\$ 596,706.22

The accompanying notes are an integral part of the financial statements.

CAPITAL IMPROVEMENT	OTHER NON MAJOR GOVERNMENTAL FUNDS	TOTAL
\$ 0.00	\$ 5,167.50	\$ 153,679.17
0.00	20,541.89	133,084.12
38,327.75	0.00	38,327.75
0.00	1,976.00	2,495.00
0.00	0.00	0.00
0.00	509.04	54,003.66
0.00	0.00	223.98
<u>38,327.75</u>	<u>28,194.43</u>	<u>381,813.68</u>
0.00	0.00	29,722.29
0.00	0.00	152,789.48
0.00	0.00	14,468.00
0.00	34,553.19	115,091.73
0.00	0.00	34,122.07
19,811.16	14,952.32	45,020.92
0.00	0.00	0.00
<u>19,811.16</u>	<u>49,505.51</u>	<u>391,214.49</u>
18,516.59	(21,311.08)	(9,400.81)
25,000.00	15,743.31	70,743.31
0.00	0.00	(105,053.31)
<u>25,000.00</u>	<u>15,743.31</u>	<u>(34,310.00)</u>
43,516.59	(5,567.77)	(43,710.81)
11,912.95	111,093.86	928,703.53
<u>\$ 55,429.54</u>	<u>\$ 105,526.09</u>	<u>\$ 884,992.72</u>

VILLAGE OF HILLMAN
Montmorency County, Michigan

GOVERNMENTAL FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
Year Ended March 31, 2004

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS		\$ (43,710.81)
Amounts reported for governmental activities in the statement of activities are different because -		
Governmental funds report capital outlays as expenditures while in the statement of activities, these costs are allocated over their estimated lives as depreciation:		
Depreciation expense		(29,846.55)
Capital asset purchases capitalized		45,020.92
An Internal Service fund is used by the Village to charge equipment rental costs to individual funds. The net revenue of the Internal Service fund is reported with governmental activities in the statement of activities net of amount allocated to business-type activities.		
Change in Net Assets	(16,657.68)	
Net amount allocated to business-type activities	<u>(7,843.26)</u>	
		<u>(24,500.94)</u>
TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES		\$ <u><u>(53,037.38)</u></u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS
March 31, 2004

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer Fund	Water Fund	Cooling Pond Fund	TOTAL	
ASSETS:					
Current Assets:					
Cash	\$ 104,273.18	\$ 55,984.00	\$ 29,902.36	\$ 190,159.54	\$ 29,893.44
Accounts receivable	7,507.00	9,340.65	11,155.72	28,003.37	0.00
Other receivables	349.33	103.22	0.00	452.55	0.00
Prepays	0.00	0.00	0.00	0.00	0.00
Total Current Assets	112,129.51	65,427.87	41,058.08	218,615.46	29,893.44
Noncurrent Assets:					
Restricted cash	15,500.00	15,000.00	0.00	30,500.00	0.00
Capital Assets:					
Land	23,600.00	25,400.00	0.00	49,000.00	0.00
Equipment	75,897.91	93,727.54	40,614.33	210,239.78	238,665.32
Water and sewer systems	1,667,156.98	946,149.20	270,251.00	2,883,557.18	0.00
Accumulated depreciation	(1,044,816.70)	(571,530.82)	(162,944.42)	(1,779,291.94)	(182,867.77)
Total Noncurrent Assets	737,338.19	508,745.92	147,920.91	1,394,005.02	55,797.55
Total Assets	849,467.70	574,173.79	188,978.99	1,612,620.48	85,690.99
LIABILITIES:					
Current Liabilities					
Accounts payable	542.41	1,033.01	999.37	2,574.79	618.57
Accrued interest	2,628.12	291.67	0.00	2,919.79	0.00
Accrued expenses	880.85	377.50	0.00	1,258.35	0.00
Revenue bonds payable	12,000.00	6,000.00	0.00	18,000.00	0.00
Total Current Liabilities	16,051.38	7,702.18	999.37	24,752.93	618.57
Noncurrent Liabilities					
Revenue bonds payable	202,000.00	29,000.00	0.00	231,000.00	0.00
Total Noncurrent Liabilities	202,000.00	29,000.00	0.00	231,000.00	0.00
Total Liabilities	218,051.38	36,702.18	999.37	255,752.93	618.57
NET ASSETS:					
Invested in capital assets net of related debt	507,838.19	458,745.92	0.00	966,584.11	55,797.55
Restricted for debt retirement	15,500.00	15,000.00	0.00	30,500.00	0.00
Unrestricted	108,078.13	63,725.69	187,979.62	359,783.44	29,274.87
Total Net Assets	\$ 631,416.32	\$ 537,471.61	\$ 187,979.62	\$ 1,356,867.55	\$ 85,072.42

Reconciliation of Government Wide Statement of Net Assets:

Net assets of business-type activities

\$ 1,356,867.55

The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended March 31, 2004

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer Fund	Water Fund	Cooling Pond Fund	TOTAL	
OPERATING REVENUES:					
Charges for Services	\$ 74,213.75	\$ 101,197.54	\$ 79,254.99	\$ 254,666.28	\$ 53,363.94
Miscellaneous	1,270.94	3,019.25	0.00	4,290.19	0.00
Total Operating Revenues	75,484.69	104,216.79	79,254.99	258,956.47	53,363.94
OPERATING EXPENSES:					
Personal Services	32,602.94	44,586.18	0.00	77,189.12	0.00
Contractual Services	3,497.50	1,660.04	0.00	5,157.54	0.00
Repairs and Maintenance	11,043.02	40,217.17	199.68	51,459.87	9,628.20
Utilities	3,172.50	5,679.14	14,502.78	23,354.42	0.00
Supplies and other	14,383.58	22,376.97	287.04	37,047.59	4,471.57
Depreciation	56,508.86	30,712.47	8,899.55	96,120.88	20,450.89
Total Operating Expenses	121,208.40	145,231.97	23,889.05	290,329.42	34,550.66
Operating Income	(45,723.71)	(41,015.18)	55,365.94	(31,372.95)	18,813.28
NONOPERATING REVENUES(EXPENSES)					
Interest Income	853.68	679.61	220.42	1,753.71	0.00
Loss on sale of capital asset	0.00	0.00	0.00	0.00	(5,470.96)
Interest Expense	(11,517.28)	(2,000.00)	0.00	(13,517.28)	0.00
Total Nonoperating Expenses	(10,663.60)	(1,320.39)	220.42	(11,763.57)	(5,470.96)
Income before contributions and transfers	(56,387.31)	(42,335.57)	55,586.36	(43,136.52)	13,342.32
Capital contributions	8,000.00	6,024.00	0.00	14,024.00	0.00
Transfers In	49,310.00	80,000.00	0.00	129,310.00	0.00
Transfers Out	0.00	0.00	(65,000.00)	(65,000.00)	(30,000.00)
Change in Net Assets	922.69	43,688.43	(9,413.64)	35,197.48	(16,657.68)
Net Assets Beginning of Year	630,493.63	493,783.18	197,393.26	1,321,670.07	101,730.10
Net Assets End of Year	\$ 631,416.32	\$ 537,471.61	\$ 187,979.62	\$ 1,356,867.55	\$ 85,072.42

The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan

PROPRIETARY FUNDS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS TO STATEMENT OF ACTIVITIES
Year Ended March 31, 2004

NET CHANGE IN FUND BALANCES - PROPRIETARY FUNDS	\$ 35,197.48
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Amounts reported for governmental activities in the statement
of activities are different because -

An Internal Service fund is used by the Village to charge equipment rental
costs to individual funds. The net revenue of the Internal Service fund
is reported with governmental activities in the statement of activities
net of amount allocated to business-type activities.

Net amount allocated to business-type activities	<u>7,843.26</u>
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TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES	\$ <u><u>43,040.74</u></u>
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The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
Year Ended March 31, 2004

	Business Type Activities - Enterprise Funds				Governmental Activities - Internal Service Fund
	Sewer Fund	Water Fund	Cooling Pond Fund	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	\$ 76,264.50	\$ 105,100.74	\$ 84,604.55	\$ 265,969.79	\$
Cash received from other funds for services	0.00	0.00	0.00	0.00	
Other operating cash receipts	0.00	0.00	0.00	0.00	
Cash payments to suppliers for goods and services	(13,132.89)	(88,878.75)	(15,225.91)	(117,237.55)	39,410.97
Cash payments to employees for services	(32,766.44)	(45,253.03)	0.00	(78,019.47)	
Cash payments to other funds for services	0.00	0.00	0.00	0.00	
Net cash provided (used) by operating activities	30,365.17	(29,031.04)	69,378.64	70,712.77	39,410.97
CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES:					
Transfers from other funds	49,310.00	80,000.00	0.00	129,310.00	0.00
Transfers to other funds	0.00	0.00	(65,000.00)	(65,000.00)	(30,000.00)
Net cash provided (used) by noncapital financing activities	49,310.00	80,000.00	(65,000.00)	64,310.00	(30,000.00)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	(32,950.00)	(19,612.75)	0.00	(52,562.75)	(10,391.49)
Proceeds from sale of capital assets	0.00	0.00	0.00	0.00	2,980.60
Interest paid on bonds	(11,517.28)	(2,000.00)	0.00	(13,517.28)	0.00
Principal payments on bonds	(12,000.00)	(6,000.00)	0.00	(18,000.00)	0.00
Contributed capital	8,000.00	6,024.00	0.00	14,024.00	0.00
Net cash provided (used) by capital and related financing activities	(48,467.28)	(21,588.75)	0.00	(70,056.03)	(7,410.89)
CASH FLOWS FROM INVESTING ACTIVITIES:					
Interest on investments	853.68	679.61	220.42	1,753.71	0.00
Net increase (decrease) in cash	32,061.57	30,059.82	4,599.06	66,720.45	2,000.08
Cash beginning of year	87,711.61	40,924.18	25,303.30	153,939.09	27,893.36
Cash end of year	\$ 119,773.18	\$ 70,984.00	\$ 29,902.36	\$ 220,659.54	\$ 29,893.44
RECONCILIATION OF INCOME (LOSS) FROM OPERATIONS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Income (loss) from operations	\$ (45,723.71)	\$ (41,015.18)	\$ 55,365.94	\$ (31,372.95)	\$ 18,813.28
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:					
Depreciation	56,508.86	30,712.47	8,899.55	96,120.88	20,450.89
Change in assets and liabilities:					
(Increase) decrease in due from other funds	19,476.48	0.00	0.00	19,476.48	0.00
(Increase) decrease in accounts receivable	779.81	883.95	5,349.56	7,013.32	0.00
Increase (decrease) in due to other funds	0.00	(19,476.48)	0.00	(19,476.48)	0.00
Increase (decrease) in accounts payable	(370.05)	581.05	(236.41)	(25.41)	146.80
Increase (decrease) in accrued expenses	(306.22)	(716.85)	0.00	(1,023.07)	0.00
Net Cash Provided (Used) in Operating Activities	\$ 30,365.17	\$ (29,031.04)	\$ 69,378.64	\$ 70,712.77	\$ 39,410.97

The accompanying notes are an integral part of the financial statements.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A: DESCRIPTION OF REPORTING ENTITY:

The Village of Hillman is located in Montmorency County and operates under an elected Board of Trustees (6 members) and provides services to its residents in many areas. The financial statements of the Village have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below. For the year ended March 31, 2004, the Village has implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented.

B: REPORTING ENTITY:

B. Financial Reporting Entity

The Village's basic financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- the organization is legally separate (can sue and be sued in their own name)
- the Village hold the corporate powers of the organization
- the Village appoints a voting majority of the organization's board
- the Village is able to impose its will on the organization
- the organization has the potential to impose a financial benefit//burden on the Village
- there is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village of Hillman has no component units.

C. Basis of Presentation

The government-wide financial statements (the statement of net assets and the statement of changes in net assets) report information on all of the activities of Village. The effect of the interfund activity, within the governmental and business-type activities columns, has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identified with a specific program. Program revenue include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

D: Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fund Financial Statements:

The Village segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental and proprietary activities. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balance of current financial resources. The Village has presented the following major governmental funds:

General Fund -

General Fund is the main operating fund of the Village. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Major Street Fund -

Major Street Fund is a legally mandated fund to account for specific proceeds of revenue from the Michigan Department of Transportation and to account for the legally restricted expenditures of those funds related to the maintenance and construction of major roads within the Village.

UDA Grant Fund -

Accounts for revenue and expenditures of promoting and loaning funds to local businesses and residents to improve or maintain their properties.

Capital Improvement Capital Projects Fund -

Capital Improvement Capital Projects Fund is used to account for funds received or purchase of land, improvements and construction of parks and recreational facilities.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Propriety Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Assets. The Village has presented the following major propriety funds:

Water Fund -

Water Fund is used to account for the provision of water services to the residents of the Village. Activities of the fund include administration, operation and maintenance of the water system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt. Costs are financed through charges to customers.

Sewer Fund -

Sewer Fund is used to account for the provision of sewer services to the residents of the Village. Activities of the fund include administration, operation and maintenance of the sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt. Costs are financed through charges to customers.

Cooling Pond Fund -

The cooling pond fund is used to account for cost and maintenance of a cooling pond used by Hillman Power Company, it's sole customer.

Additionally, the Village reports an Internal Service Fund which is used to account for use of large equipment used by various funds.

Propriety funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a propriety fund's principal ongoing operations. Operating expenses for the propriety funds include the cost of personal and contractual services, supplies and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

The government-wide statements and fund financial statements for propriety funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Village considers property taxes as available if they are collected within 90 days after year end. A one-year availability period is used for recognition of all other Governmental Fund revenues. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

The revenues susceptible to accrual are property taxes, franchise fees, licenses, charges for service, interest income and governmental revenues. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. All other governmental fund revenues are recognized when received.

Capital Assets - Capital assets, which include land, buildings, equipment, and vehicles, are reported in the applicable governmental activities column in the entity-wide financial statements. Capital assets are defined by the Village as assets with an individual cost of more than \$1,000 and any assets susceptible to theft. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Costs of normal repair and maintenance that do not add to the value or materially extend asset lives are not capitalized.

Buildings, equipment, land improvements and vehicles are depreciated using the straight-line method over the following useful lives:

Buildings and additions	20-40 years
Land improvements	15-20 years
Vehicles	5-10 years
Furniture and other equipment	3-10 years

Compensated Absences - Employees are not allowed to accumulate vacation and sick pay and therefore, no amount as for March 31, 2004 has been recorded.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Fund Equity - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Comparative Data/Reclassifications - Comparative data is not included in the Village's financial statements.

Accounting Change - Effective April 1, 2003, the Village implemented the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments* (GASB No. 34). Changes to the Village's financial statements as a result of GASB No. 34 are as follows: A Management's Discussion and Analysis (MD&A) section providing analysis of the Village's overall financial position and results of operations has been included. Entity-wide financial statements (statement of net assets and statement of activities) prepared using full accrual accounting for all of the Village's activities have been provided.

PROPERTY TAXES:

The Village's property taxes are levied and become a lien on each December 1st based on the taxable valuation of property located in the Village as of the preceding December 31st. These taxes are due on September 14 or they are added to the county delinquent tax rolls.

The Village's property tax revenues are recognized as revenues in the fiscal year levied to the extent they are measurable and available. The taxable valuation of Village properties totaled \$14,837,137 on which ad valorem taxes are levied consisting of 9.8558 mills for Village operating.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY:

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles and State law for the General and Special Revenue Funds. All annual appropriations lapse at fiscal year end.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body (i.e., the level at which expenditures may not legally exceed appropriations) is the function level. State law requires the Village to have its budget in place by April 1. Expenditures in excess of amounts budgeted are a violation of Michigan law. State law permits entities to amend their budgets during the year. There were no significant amendments during the year.

Excess of Expenditures Over Appropriations in Budgeted Funds - The Village did not have significant expenditure budget variances.

Fund Deficits - The Village had no accumulated fund balance deficits.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2003

NOTE 3. LONG-TERM DEBT:

The following is a summary of the debt outstanding in the Village as of March 31, 2004:

	<u>Number of Issues</u>	<u>Interest Rate</u>	<u>Maturing Through</u>	<u>Principal Outstanding</u>
Revenue Bonds:				
Water Fund	1	5.00%	2010	35,000.00
Sewer Fund	2	5.00-9.45%	2016	<u>214,000.00</u>
Total Long-Term Debt				<u>\$ 249,000.00</u>

The annual principal requirements for the years ending March 31, 2004 through 2008 for all debts outstanding as of March 31, 2003 are as follows:

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Annual Principal Requirements	<u>\$ 18,000.00</u>	<u>\$21,000.00</u>	<u>\$ 22,000.00</u>	<u>\$ 23,000.00</u>	<u>\$ 23,000.00</u>
Total Principal and Interest Requirements	<u>\$ 30,767.00</u>	<u>\$33,125.00</u>	<u>\$ 33,000.00</u>	<u>\$ 32,725.00</u>	<u>\$ 30,675.00</u>

The following is a summary of long-term debt transactions of the Village for the year ended March 31, 2004:

	<u>Revenue Bonds</u>
Long-term debt at April 1, 2003	\$ 267,000.00
Principal payments	<u>(18,000.00)</u>
Balance March 31, 2004	<u>\$ 249,000.00</u>

NOTE 4. CAPITAL ASSETS:

Capital asset activity for the year ended March 31, 2004 was as follows:

	<u>Balance April 1</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Balance March 31</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 552,248.68	\$ -	\$ -	\$ 552,248.68
Construction in progress	-	-	-	-
Total Capital assets not being depreciated	552,248.68	-	-	552,248.68

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 4. CAPITAL ASSETS (continued):

	Balance April 1	Additions/ Completions	Retirements/ Adjustments	Balance March 31
Capital assets being depreciated				
Buildings	\$ 278,662.41	\$ -	\$ -	\$ 278,662.41
Equipment	533,519.03	45,020.92	(24,394.00)	534,145.95
Total capital assets being depreciated	812,181.44	45,020.92	(24,394.00)	832,808.36
Less accumulated depreciation	(551,883.54)	(29,846.55)	15,942.44	(565,787.65)
Total capital assets being depreciated, net	260,297.90	15,174.37	(8,451.56)	267,020.71
Governmental activities capital assets, net	<u>812,546.58</u>	<u>15,174.37</u>	<u>(8,451.56)</u>	<u>819,269.39</u>
Business -type activities:				
Capital assets not being depreciated				
Land	49,000.00	-	-	49,000.00
Capital assets being depreciated				
Equipment	186,289.78	23,950.00	-	210,239.78
Infrastructure - Water/ Sewer system	2,883,557.18	-	-	2,883,557.18
Total capital assets being depreciated	3,069,826.96	-	-	3,093,796.96
Less accumulated depreciation	(1,683,171.06)	(96,120.88)	-	(1,779,291.94)
Total capital assets being depreciated, net	1,386,655.90	(72,170.88)	-	1,314,505.02
Business -type activities capital assets, net	<u>\$1,435,655.90</u>	<u>\$ (72,170.88)</u>	<u>\$ -</u>	<u>\$1,363,505.02</u>

Depreciation expense was charged as direct expense to programs/functions as follows:

Governmental activities:	
General government	\$ 6,910.46
Public works	20,841.19
Cultural and recreation	2,094.90
Total depreciation expense- Governmental activities	<u>29,846.55</u>
Business-type activities:	
Water	30,712.47
Sewer	56,508.86
Cooling Pond	8,899.55
Total depreciation expense- Business-type activities	<u>96,120.88</u>

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 5. PROPERTY TAXES RECEIVABLE:

The delinquent real property taxes of the Village are purchased by the County of Montmorency. The County intends to sell tax notes, the proceeds of which will be used to pay the Village for these property taxes. These taxes have been recorded as revenue for the current year.

NOTE 6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS:

The amounts of interfund receivables and payables are as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Fund</u>	<u>Interfund Payable</u>
General Fund	\$ <u>1,196.48</u>	DDA	\$ <u>1,196.48</u>

NOTE 7. PROPERTY TAX ADMINISTRATION FEE:

P.A. 503 of 1982, provides that a local unit can only use property tax administration fees collected to offset the costs of assessing, review, appeals, and tax collections.

During the year ended March 31, 2004 the Village collected the following fees and incurred the following expenses:

REVENUES:

Property tax administration	\$ 1,458.03
-----------------------------	-------------

EXPENDITURES:

Treasurer	5,897.54
EXCESS OF EXPENDITURES OVER REVENUES	\$ <u>(4,439.51)</u>

NOTE 8. RESTRICTED CASH:

The Village has a loan with Rural Economic and Community Services, formerly Farmers Home Administration which requires a reserve of cash maintained for loan default. The Village has complied with the loan requirement by maintaining a \$31,500.00 balance in their reserve account.

NOTE 9. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

The Village's cash and cash equivalents consists of currency on hand, bank checking accounts and savings accounts. Investments consist of pooled investments funds and are stated at cost which approximates market value.

NOTE 10. LOANS RECEIVABLE:

The Village has loaned out funds to several village businesses and nonprofit organizations for various eligible rehabilitation and preservation activities. The proceeds for these loans came from a grant the Village received from the United States Department of Housing and Urban Development. Repayment terms and interest rates vary with each loan with interest rates ranging from 4% to 6.5%.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 11. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS:

A. LEGAL COMPLIANCE:

Act 217, PA 1982, authorizes the Village to deposit and invest in the accounts of Federally insured banks, credit unions, and savings and loans associations; bonds and other direct obligations of the United States, or an agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; banker's acceptance of United States banks; commercial paper rated within the three highest classifications by not less than two standard rating services, which mature not more than 270 days after the date of purchase, and which involves no more than 50 percent of any one fund; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

Michigan law prohibits security in the form of collateral, surety bond, or other forms for the deposit of public money. An Attorney General's opinion states that public funds may not be deposited in financial institutions located in states other than Michigan.

All Village deposits were in compliance with state statutes.

B. DEPOSITS:

Deposits are carried at cost. Deposits of the Village are maintained at Bank One, First Federal Bank, Citizens Bank, and Independent Bank, federally insured banks; and Community Federal Credit Union, a federally insured credit union.

The Governmental Accounting Standards Board Statement No. 3 risk disclosures for the Village's cash deposit at March 31, 2004 are as follows:

<u>Deposit</u>	<u>Carrying Amount</u>
Insured (FDIC)	
Insured (FDUIC)	\$ 500,000.00
Uninsured and Uncollateralized	100,000.00
Total	160,913.26
	<u>\$ 760,913.26</u>

NOTE 12. RISK MANAGEMENT:

The Village is exposed to various risks of loss related to property loss, errors, omissions, employee injuries, medical and workman's compensation benefits.

The Village has purchased commercial insurance for medical benefit claims, general liability, errors and omissions, physical damage for equipment, buildings and contents and workers compensation. Settled claims for the commercial insurance have not exceeded the amount of insurance coverage in any of the past 3 years. There was no reduction in coverage obtained through commercial insurance during the past year.

VILLAGE OF HILLMAN
Montmorency County, Michigan

NOTES TO FINANCIAL STATEMENTS
March 31, 2004

NOTE 14. COMPENSATED ABSENCES:

Employees are not allowed to accumulate vacation and sick pay and therefore, no amount for March 31, 2004 has been shown in the General Long-Term Debt Group of Accounts in accordance with Governmental Accounting Standards Board's Statement No. 16 "Accounting for Compensated Absences."

REQUIRED SUPPLEMENTAL INFORMATION

Quast, Janke and Company, P.C.

Certified Public Accountants

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BAY CITY, MICHIGAN 48708

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Timothy J. Quast, C.P.A.

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Ned E. Kleinke, C.P.A.

David G. Gwizdala, C.P.A.

Members:

*American Institute of C.P.A.'s
Michigan Association of C.P.A.'s*

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

May 14, 2004

Village Council
Village of Hillman
Hillman, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Hillman as of and for the year ended March 31, 2004, which collectively comprise Village of Hillman's basic financial statements and have issued our report thereon dated May 14, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Village of Hillman's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

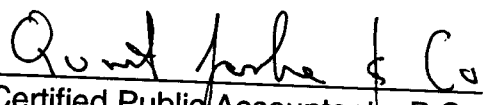
Internal Control Over Financial Reporting

In planning and performing our audit, we considered Village of Hillman's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material

in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee and management of the Village Council and State of Michigan, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

QUAST, JANKE AND COMPANY


Certified Public Accountants, P.C.

OTHER SUPPORTING INFORMATION

VILLAGE OF HILLMAN
Montmorency County, Michigan

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NON MAJOR GOVERNMENTAL FUNDS
Year ended March 31, 2003

	<u>SPECIAL REVENUE FUNDS</u>		
	<u>Local Street Fund</u>	<u>Airport Fund</u>	<u>Total Special Revenue Funds</u>
REVENUES:			
State Grants	\$ 20,541.89	\$ 0.00	\$ 20,541.89
Property Taxes	0.00	0.00	0.00
Charges for Services	0.00	1,976.00	1,976.00
Interest and Rentals	191.04	0.00	191.04
Other Revenues	0.00	0.00	0.00
Total Revenues	20,732.93	1,976.00	22,708.93
EXPENDITURES:			
Public Works	27,645.59	6,907.60	34,553.19
Cultural and Recreation	0.00	0.00	0.00
Capital Outlay	0.00	5,000.00	5,000.00
Total Expenditures	27,645.59	11,907.60	39,553.19
EXCESS OF REVENUES OVER EXPENDITURES	(6,912.66)	(9,931.60)	(16,844.26)
OTHER FINANCING SOURCES:			
Transfers from (to) other funds	12,053.31	9,000.00	21,053.31
NET CHANGES IN FUND BALANCE	5,140.65	(931.60)	4,209.05
FUND BALANCE - APRIL 1, 2003	40,364.14	1,005.74	41,369.88
FUND BALANCE - MARCH 31, 2004	\$ <u>45,504.79</u>	\$ <u>74.14</u>	\$ <u>45,578.93</u>

CAPITAL PROJECTS FUND	DEBT SERVICE FUND	
Industrial Park Improvement	DDA Debt	TOTAL
\$ 0.00	\$ 0.00	\$ 20,541.89
0.00	5,167.50	5,167.50
0.00	0.00	1,976.00
265.50	52.50	509.04
0.00	0.00	0.00
265.50	5,220.00	28,194.43
0.00	0.00	34,553.19
0.00	0.00	0.00
9,952.32	0.00	14,952.32
9,952.32	0.00	49,505.51
(9,686.82)	5,220.00	(21,311.08)
0.00	(5,310.00)	15,743.31
(9,686.82)	(90.00)	(5,567.77)
58,308.80	11,415.18	111,093.86
\$ 48,621.98	\$ 11,325.18	\$ 105,526.09

VILLAGE OF HILLMAN
Montmorency County, Michigan
 GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 137,200.00	\$ 137,200.00	\$ 148,511.67	\$ 11,311.67
State Grants	69,000.00	69,000.00	64,329.00	(4,671.00)
Charges for Services	100.00	100.00	519.00	419.00
Interest, Rentals and Royalties	17,400.00	17,400.00	27,705.91	10,305.91
Other Revenue	250.00	250.00	223.96	(26.04)
Total Revenues	223,950.00	223,950.00	241,289.54	17,339.54
EXPENDITURES:				
Legislative	38,887.00	38,887.00	29,722.29	9,164.71
General Government	145,475.00	160,475.00	152,289.48	8,185.52
Public Safety	29,468.00	29,568.00	14,468.00	15,100.00
Public Works	29,000.00	29,000.00	26,178.73	2,821.27
Cultural and Recreation	36,231.00	36,231.00	34,122.07	2,108.93
Other	30,000.00	15,000.00	10,257.44	4,742.56
Total Expenditures	309,061.00	309,161.00	267,038.01	42,122.99
OTHER FINANCING SOURCES (USES):				
Transfer from other funds	30,000.00	30,000.00	30,000.00	0.00
Transfer to other funds	(83,000.00)	(83,000.00)	(83,000.00)	0.00
Net Other Financing Sources (Uses)	(53,000.00)	(53,000.00)	(53,000.00)	0.00
NET CHANGE IN FUND BALANCE	(138,111.00)	(138,211.00)	(78,748.47)	59,462.53
FUND BALANCE - BEGINNING OF YEAR	156,433.43	167,405.80	167,405.80	0.00
FUND BALANCE - END OF YEAR	\$ 18,322.43	\$ 29,194.80	\$ 88,657.33	59,462.53

VILLAGE OF HILLMAN
Montmorency County, Michigan
 MAJOR STREET FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual	Variance With Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
State Grants	43,000.00	43,000.00	48,213.23	5,213.23
Interest and Rentals	40.00	40.00	337.99	297.99
Total Revenues	43,040.00	43,040.00	48,551.22	5,511.22
EXPENDITURES:				
Public Safety	83,036.00	83,036.00	54,359.81	28,676.19
Other	4,000.00	0.00	0.00	
Total Expenditures	87,036.00	83,036.00	54,359.81	28,676.19
EXCESS REVENUES OVER EXPENDITURES	(43,996.00)	(39,996.00)	(5,808.59)	34,187.41
OTHER FINANCING SOURCES (USES)				
Transfer to local street	(11,000.00)	(12,500.00)	(12,053.31)	446.69
Excess (deficiency) of revenues over expenditures and other uses	(54,996.00)	(52,496.00)	(17,861.90)	34,634.10
FUND BALANCE - BEGINNING OF YEAR	55,000.00	56,535.42	56,535.42	0.00
FUND BALANCE - END OF YEAR	\$ 4.00	\$ 4,039.42	\$ 38,673.52	\$ 34,634.10

VILLAGE OF HILLMAN
Montmorency County, Michigan
 U.D.A. FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL
Year Ended March 31, 2004

	Original Budget	Final Amended Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:				
Interest	\$ 27,727.00	\$ 27,727.00	\$ 25,450.72	\$ (2,276.28)
Total Revenues	<u>27,727.00</u>	<u>27,727.00</u>	<u>25,450.72</u>	<u>(2,276.28)</u>
EXPENDITURES:				
General Government	<u>0.00</u>	<u>1,000.00</u>	<u>500.00</u>	<u>500.00</u>
Excess Revenues over Expenditures	27,727.00	26,727.00	24,950.72	(2,776.28)
OTHER FINANCING SOURCES (USES)				
Transfer to sewer fund	<u>(10,000.00)</u>	<u>(10,000.00)</u>	<u>(10,000.00)</u>	<u>0.00</u>
Excess (deficiency) of revenues over expenditures and other uses	17,727.00	16,727.00	14,950.72	(2,776.28)
FUND BALANCE - BEGINNING OF YEAR	<u>566,214.15</u>	<u>581,755.50</u>	<u>581,755.50</u>	<u>0.00</u>
FUND BALANCE - END OF YEAR	\$ <u><u>583,941.15</u></u>	\$ <u><u>598,482.50</u></u>	\$ <u><u>596,706.22</u></u>	\$ <u><u>0.00</u></u>

VILLAGE OF HILLMAN
Montmorency County, Michigan

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Year ended March 31, 2004

REVENUES:	
Taxes -	
Current tax levy	\$ 147,026.64
Tax admin fee	1,485.03
Total taxes	<u>148,511.67</u>
State Grants -	
State revenue sharing	64,329.00
Licenses and permits	
Building permits	435.00
Mobile home park	84.00
Total licenses and permits	<u>519.00</u>
Interest and Rentals -	
Interest	2,137.37
Royalties	8,635.54
Rents	16,933.00
Total Interest and Rentals	<u>27,705.91</u>
Other Revenue - Miscellaneous	223.98
Total Revenues	<u>241,289.56</u>
EXPENDITURES	<u>267,038.01</u>
EXCESS OF REVENUES OVER EXPENDITURES	(25,748.45)
OTHER FINANCING SOURCES (USES):	
Transfer from Cooling Pond Fund	30,000.00
Transfer to Water Fund	(9,000.00)
Transfer to Airport Fund	(9,000.00)
Transfer to Sewer Fund	(40,000.00)
Transfer to Capital Improvement Fund	(25,000.00)
Net Other Financing (Uses)	<u>(53,000.00)</u>
NET CHANGE IN FUND BALANCE	(78,748.45)
FUND BALANCE - APRIL 1, 2003	<u>167,405.80</u>
FUND BALANCE - MARCH 31, 2004	<u>\$ 88,657.35</u>

VILLAGE OF HILLMAN
Montmorency County, Michigan

GENERAL FUND
DETAIL OF EXPENDITURES
Year ended March 31, 2004

EXPENDITURES:

LEGISLATIVE:

Village Council

Trustees' salaries

Fringes and taxes

Legal

Audit

Supplies and other

\$	12,210.00
	4,909.44
	8,153.85
	3,200.00
	<u>1,249.00</u>

Total Legislative

29,722.29

GENERAL GOVERNMENT:

Chief Executive-

Salary

Fringes and taxes

3,690.00

2,206.52

Total Executive

5,896.52

Manager

Wages

Fringes and taxes

Mileage and other

36,535.24

14,098.95

972.82

Total Manager

51,607.01

Elections-

Wages

Supplies

Printing and publication

325.50

79.93

696.56

Total Elections

1,101.99

Clerk -

Salary

Fringes and taxes

Supplies and other costs

18,431.23

7,318.15

156.34

Total Clerk

25,905.72

Treasurer-

Salaries

Fringes and taxes

Supplies and other costs

3,365.04

1,564.37

968.13

Total Treasurer

5,897.54

VILLAGE OF HILLMAN
Montmorency County, Michigan

GENERAL FUND
DETAIL OF EXPENDITURES (Continued)
Year ended March 31, 2004

EXPENDITURES (CONT.):
GENERAL GOVERNMENT (CONT.):

Village Hall-	
Wages	
Fringes and taxes	13,245.28
Supplies	6,399.87
Office	7,474.14
Equipment rental	3,918.35
Refuse	6,370.68
Insurance	562.77
Utilities	12,773.28
Repairs and maintenance	3,537.42
Rent	479.00
Telephone	3,678.00
Other costs	2,655.84
	<u>786.07</u>

Total Township Hall

61,880.70

Total General Government

152,289.48

PUBLIC SAFETY:

Fire Department-
Contracted fire protection

14,468.00

PUBLIC WORKS:

Sanitation-
Refuse contract

16,134.75

Street Lighting-

10,043.98

Total Public Works

26,178.73

RECREATION AND CULTURAL:

Parks and Recreation-

Wages

Fringes and taxes

Utilities

Repairs and maint.

Equipment rental

Supplies and other

15,176.96

6,110.93

3,757.44

2,806.00

3,128.49

3,142.25

Total Recreation and Cultural

34,122.07

CAPITAL OUTLAY:

Office Equipment

Park Equipment

3,718.00

6,539.44

Total Capital Outlay

10,257.44

Total Expenditures

267,038.01